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MEXICAN PORK PRODUCERS COMPLAIN ABOUT POULTRY IMPORTS

In June attorneys for the Mexican Pork Council (CMP) filed a complaint with Mexico's Secretariat of Commerce and Industrial Development (SECOFI). The complaint alleges that SECOFI has authorized excessive imports of poultry parts and paste (mechanically separated meat). These types of products are commonly used for variety meats, such as turkey "ham." CMP fears that any imports above the NAFTA quota will displace sales of pork. CMP alleged that as of April, SECOFI had allowed imports of 72,000MT, 12 percent above the total quota established for 2000 (63,760MT) under NAFTA.

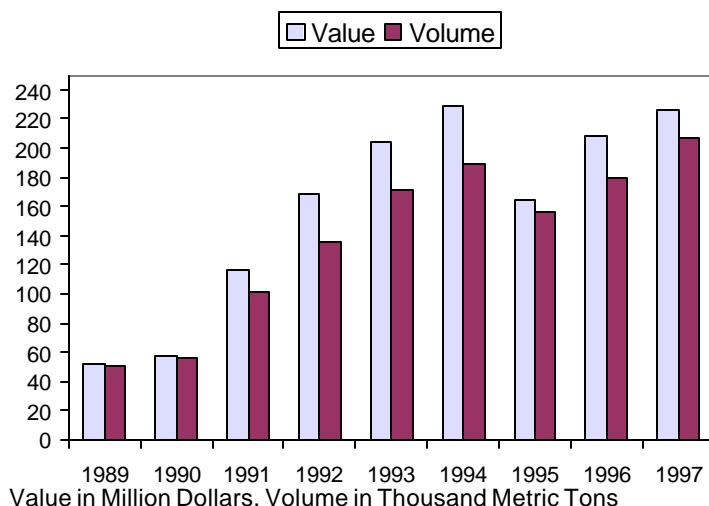
According to SECOFI's records, since 1994 imports of paste and poultry parts have often surpassed the NAFTA quotas. In 1999 imports were nearly 250 percent of the authorized quota. SECOFI has 60 days to respond to this petition. Otherwise, CMP authorities will turn the case over to the appropriate legal authorities. (Source: El Financiero; 07/10/2000)

From January through May 2000, exports of poultry increased 19 percent in volume and 38 percent in value when compared to the same period last year. Exports grew from 83,151MT to 98,656MT and the value increased from \$62 million to almost \$86 million.

In May 2000, trade dropped 16 percent in volume yet only 3 percent in value. Although exports of chicken leg quarters almost tripled, from 631MT to 1,704MT, overall chicken exports dropped 19 percent. Turkey exports were 20 percent lower, however exports of mechanically separated turkey doubled, from 149MT to 308MT.

Source: USDA/Foreign Agricultural Service.

U.S. Poultry Meat Exports to Mexico, 1989 - 1997



Source: U.S. Department of Commerce, Bureau of Census

Russian Tariffs

According to preliminary information, the Russian Government is about to publish a resolution to set the import duty on poultry and poultry products at 25%, but no less than 0.2 euros per kilogram (about 8 cents per pound). The resolution will come into effect a month after its official publication, which is expected in late July. The import duty on poultry was last changed on April 1, 2000, when the duty on some fresh, chilled or frozen chicken meat was set at 30%, but no less than 0.2 euros per kilogram. Russian officials said at that time they would follow the behavior of the poultry market in Russia. If the reduction in tariffs does not dramatically increase Russian poultry imports, further reduction in duties will be seriously considered, they said.

For most poultry products the expected measure means a reduction in duties. For some products, however, including poultry offals and all turkey, goose, and duck products, the change means a significant increase. These items are currently subject to 15% but not less than 0.15 euros per kilo (6 cents per pound) import duties.

Value Added Taxes Lowered

An amendment to Russian law specified the VAT on imported meats is 10 percent, same as domestically produced meat. The Russian Federation Law "On Value Added Taxes" reduced the VAT on meat from 20 percent to 10 percent effective July 1, 2000. However, not all meats were included on the list of imported products covered by the lower VAT and there was concern the 20 percent level would remain on some items. According to business circles, as of July 1 importers have been allowed to pay the 10 percent VAT in anticipation of the amendment to the Law.

Source: USDA/Foreign Agricultural Service

JAPANESE POWDERED EGG IMPORTS (IN TONS)

	Powdered			
Month	Whole Eggs	Powdered Yolks	Powdered Albumen	Total
1999				
January	200.2	269.1	912.5	1381.8
February	201.6	251.3	566.2	1019.1
March	233.3	121.9	740.6	1095.8
April	249.6	175.8	881.1	1306.5
1999 To-Date	884.7	818.1	3100.4	4,803.2
2000				
January	230.1	139.3	861.1	1230.5
February	132.3	64.2	811.5	1008.0
March	187.9	192.1	805.4	1185.4
April	227.9	133.3	801.7	1162.9
2000 To-Date	778.2	528.9	3,279.7	4,586.8

Source: ALIC Monthly Statistics

Inspected Egg Products-U.S. & Canada Export/Import Trade
U.S. Exports to Canada, in Pounds (Preliminary)

Week Ending Jul 15, 2000

Year-To-Date

	(000)		(000)	
Type	2000	1999/1	2000	1999
Liquid	182	58	3,361	7,961
Frozen	0	0	126	6
Dried	18	0	304	333
Total	200	58	3,791	8,300

U.S. Imports From Canada, in Pounds (Preliminary)

Week Ending Jul 15, 2000

Year-To-Date

	(000)		(000)	
Type	2000	1999/1	2000	1999
Liquid	111	27	3,234	2,318
Frozen	28	17	406	158
Dried	33	0	643	141
Total	172	44	4,283	2,617

Inspected Shell Eggs**U.S. Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Jul 15, 2000

Year-To-Date

	2000	1999/1	2000	1999
Jumbo	60	0	861	567
Extra Large	1,194	400	23,585	17,749
Large	3,168	2,454	78,810	66,800
Medium	942	1,020	18,585	27,927
Ungraded	11,250	14,140	143,644	300,631
Misc	750	120	6,987	3,588
Total	17,364	18,134	272,472	417,262

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 21-JUL-00**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK	DOCK	DOCK	DOCK
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				
0 pounds, this includes 0 pounds for export shipment.				

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	-	-	-	15.00
WTD AVERAGE				15.00
122,400 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	13.00-15.00	18.00-22.00	10.50-14.00	13.00-14.75
WTD AVERAGE	14.33	20.00	11.54	13.75
2,508,400 pounds, this includes 163,200 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				
0 pounds, this includes 0 pounds for export shipment.				

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 15-Jul-00
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,882	1,428	3,310
LAST WEEK	1,262	1,086	2,348
SAME WEEK YR AGO	1,978	1,089	3,067
TO-DATE/2000	55,025	39,026	94,051
TO-DATE/1999	60,629	37,889	98,518

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	587	16	603
LAST WEEK	411	11	422
SAME WEEK YR AGO	542	0	542
TO-DATE/2000	13,672	95	13,767
TO-DATE/1999	13,887	182	14,069

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

**TOTAL U.S. FOWL SLAUGHTERED
IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,469	1,444	3,913
LAST WEEK	1,673	1,097	2,770
SAME WEEK YR AGO	2,520	1,089	3,609
TO-DATE/2000	68,697	39,121	107,818
TO-DATE/1999	74,516	38,071	112,587

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 21-JUL-00**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK	DOCK	DOCK	DOCK
15% OR LESS				
RANGE	16.00	-	17.00	-
WTD AVERAGE	16.00		17.00	
560,000 pounds, this includes 200,000 pounds for export shipment.				

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	13.00-15.00	-	-	16.00-17.00
WTD AVERAGE	13.95			16.73
524,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	11.50-13.00	13.50-16.00	11.50-12.00	12.00-15.00
WTD AVERAGE	12.36	15.36	11.73	13.67
1,769,600 pounds, this includes 208,000 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	12.50
WTD AVERAGE				12.50
280,000 pounds, this includes 0 pounds for export shipment.				
* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV				

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

JULY 21, 2000

Trade sentiment steady to instances firm on fresh tom breast meat and fresh destrapped tenderloins with fresh destrapped tenderloins the strongest. Demand fair with light trading noted. Offerings light to instances adequate. Frozen tom breast meat and frozen destrapped tenderloin trade sentiment steady to barely steady. Demand and trading light for the available offerings. Trade sentiment on tom necks steady to barely steady and mixed on tom wings ranging from barely steady to fully steady. Export demand and trading improved on tom drums and frozen thigh meat at the lower trending price levels. Trading was fair on tails for export. For export: livers (1 container) 15, hearts (1 load) 18, hen 2-joint wings (1 container) 50, tom defatted gizzards (2 containers) 71 cents delivered.

FRIDAY, JULY 21, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	22.50-26.00		24.27	356	24.66	681
WINGS FULL-CUT - TOMS	20.00-21.00		20.72	212	21.04	283
WINGS, V-TYPE, TOM	23.00-25.00		24.00	208	24.00	208
TAILS	19.00-21.00		19.92	676	20.16	732
MECHANICALLY SEPARATED 4/	15.00-16.00		15.19	544	15.15	700
THIGH MEAT - FROZEN	53.00-60.00		56.27	239	58.21	1,065

THURSDAY, JULY 20, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	27.00		27.00	104
WINGS FULL-CUT - TOMS		W	22.00	31
WINGS, V-TYPE, TOM		F	26.00	52
TAILS		W	23.00	56
MECHANICALLY SEPARATED 4/		M	15.00	156
THIGH MEAT - FROZEN	55.00-61.00		57.73	572

WEDNESDAY, JULY 19, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	24.00-27.00		24.19	221
WINGS FULL-CUT - TOMS	22.00		22.00	31
WINGS, V-TYPE, TOM		F	26.00	52
TAILS	23.00		23.00	56
MECHANICALLY SEPARATED 4/		M	15.00	156
THIGH MEAT - FROZEN	61.00-62.00		61.22	134

TUESDAY, JULY 18, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	25.63	362
WINGS FULL-CUT - TOMS		M	22.00	40
WINGS, V-TYPE, TOM		F	26.00	52
TAILS		F	20.33	604
MECHANICALLY SEPARATED 4/		M	15.00	156
THIGH MEAT - FROZEN		M	61.00	120

MONDAY, JULY 17, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	25.63	362
WINGS FULL-CUT - TOMS	22.00		22.00	40
WINGS, V-TYPE, TOM		F	26.00	52
TAILS		F	20.33	604
MECHANICALLY SEPARATED 4/	15.00		15.00	156
THIGH MEAT - FROZEN	61.00		61.00	120

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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